

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
November 30, 2022

The project, 811 San Pablo, located at 811 San Pablo Avenue in Pinole, requested and is being recommended for a reservation of \$1,397,788 in annual federal tax credits and \$2,409,314 in total state tax credits to finance the new construction of 32 units of housing serving tenants with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Satellite Affordable Housing Associates and will be located in Senate District 9 and Assembly District 15.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers. The project financing includes state funding from the Veterans Housing and Homelessness Prevention (VHHP) program of HCD.

Project Number	CA-22-591		
Project Name	811 San Pablo		
Site Address:	811 San Pablo Avenue		
	Pinole, CA 94564	County:	Contra Costa
Census Tract:	3591.02		

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$1,397,788	\$2,409,314
Recommended:	\$1,397,788	\$2,409,314

* The applicant made an election to sell (Certificate) all or any portion of the state credits.

Applicant Information

Applicant:	Satellite Affordable Housing Associates
Contact:	Ngan Mai
Address:	1835 Alcatraz Avenue Berkeley, CA 94703
Phone:	510-809-2746
Email:	nmai@sahahomes.org

General Partner(s) or Principal Owner(s):	Satellite AHA Development, Inc.
General Partner Type:	Nonprofit
Parent Company(ies):	Satellite Affordable Housing Associates
Developer:	Satellite Affordable Housing Associates
Bond Issuer:	California Municipal Finance Authority
Investor/Consultant:	Community Economics, Inc.
Management Agent:	Satellite Affordable Housing Associates Property Management

Project Information

Construction Type: New Construction
 Total # Residential Buildings: 1
 Total # of Units: 33
 No. / % of Low Income Units: 32 100.00%
 Federal Set-Aside Elected: 40%/60%
 Federal Subsidy: Tax-Exempt / HOME / HUD Section 8 Project-based Vouchers
 (15 Units - 46%)

Information

Housing Type: Non-Targeted
 Geographic Area: East Bay Region
 CTCAC Project Analyst: Tiffani Negrete

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	16	50%
50% AMI:	11	34%
60% AMI:	5	16%

Unit Mix

29 1-Bedroom Units
4 2-Bedroom Units
33 Total Units

Unit Type & Number	2022 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
15 1 Bedroom	30%	\$803
11 1 Bedroom	50%	\$1,339
3 1 Bedroom	60%	\$1,607
1 2 Bedrooms	30%	\$964
2 2 Bedrooms	60%	\$1,929
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$1,185,000
Construction Costs	\$15,885,916
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$1,553,592
Soft Cost Contingency	\$440,000
Relocation	\$0
Architectural/Engineering	\$1,228,100
Const. Interest, Perm. Financing	\$1,833,907
Legal Fees	\$0
Reserves	\$542,666
Other Costs	\$3,275,542
Developer Fee	\$3,506,100
Commercial Costs	\$0
Total	\$29,450,822

Residential

Construction Cost Per Square Foot:	\$563
Per Unit Cost:	\$892,449
True Cash Per Unit Cost*:	\$855,176

Construction Financing		Permanent Financing	
<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Amount</u>
Wells Fargo - Tax Exempt	\$15,295,723	HCD - VHHP	\$7,848,120
Wells Fargo - Taxable	\$3,346,947	Contra Costa County - HOME	\$2,636,280
Contra Costa County - HOME	\$2,636,280	City of Pinole	\$2,000,000
City of Pinole	\$2,000,000	City of Pinole - Seller Carryback	\$1,180,000
City of Pinole - Seller Carryback	\$1,180,000	Deferred Developer Fee	\$50,000
General Partner Equity	\$100	Contributed Developer Fee	\$1,256,100
Tax Credit Equity	\$1,464,732	Tax Credit Equity	\$14,480,322
		TOTAL	\$29,450,822

*Less Fee Waivers, Seller Carryback Loans, and Deferred Developer Fee

Determination of Credit Amount(s)

Requested Eligible Basis:	\$26,880,547
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$34,944,711
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$1,397,788
Total State Credit:	\$2,409,314
Approved Developer Fee (in Project Cost & Eligible Basis):	\$3,506,100
Investor/Consultant:	Community Economics, Inc.
Federal Tax Credit Factor:	\$0.89805
State Tax Credit Factor:	\$0.80000

Except as allowed for projects basing cost on assumed third party debt, the “as if vacant” land value and the existing improvement value established at application for all projects, as well as the eligible basis amount derived from those values, shall not increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Significant Information / Additional Conditions:

The reservation of tax credits is contingent upon verification by HUD of the rental subsidy contract rent amounts within 180 days of the date of reservation.

Resyndication and Resyndication Transfer Event: None.

Standard Conditions

If applicant is receiving tax-exempt bond financing from other than CalHFA, the applicant shall apply for a bond allocation from the California Debt Limit Allocation Committee’s next scheduled meeting, if not previously granted an allocation; shall have received an allocation from CDLAC; and, shall issue bonds within time limits specified by CDLAC.

The applicant anticipates financing more than 50% of the project aggregate basis with tax-exempt bond proceeds as calculated by the project tax professional. Therefore, the federal credit reserved for this project will not count against the annual ceiling.

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

CTCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of CTCAC.

The applicant must pay CTCAC a reservation fee calculated in accordance with regulation. Additionally, CTCAC requires the project owner to pay a monitoring fee before issuance of tax forms.

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within CTCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

If the applicant has requested the use of a CUAC utility allowance, CTCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from CTCAC, this project is not eligible to use a utility allowance based on the CUAC.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by CTCAC at placed-in-service.

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by CTCAC in its final feasibility analysis.

CDLAC Additional Conditions

The applicant/owner is required to comply with the CDLAC Resolution. At the time of the CTCAC placed in service review, CTCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.